



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0366	<b>Title:</b>	Reporting of corporate violations
<b>Primary Sponsor:</b>	Moss, Lynda	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$174,433	\$172,930	\$177,253	\$181,685
State Special Revenue	\$0	\$0	\$0	\$0
Other	\$50,824	\$13,824	\$14,170	\$14,524
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$500	\$500	\$500	\$500
Other	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<b><u>(\$174,433)</u></b>	<b><u>(\$172,930)</u></b>	<b><u>(\$177,253)</u></b>	<b><u>(\$181,685)</u></b>

### **Description of Fiscal Impact:**

This bill requires the Attorney General's office to investigate and prosecute businesses that fail to comply. At this time, the Attorney General's office does not have staff or funding to meet the requirements of the bill and would need two additional positions. The Secretary of State will require one half-time position to process complaints in addition to database costs.

### **FISCAL ANALYSIS**

#### **Assumptions:**

#### **Department of Justice**

1. To investigate complaints against a business for non-compliance, a full-time compliance specialist would be needed. For the prosecution component of holding businesses accountable for reporting, a full-time attorney will be required. The salary and benefit costs for these two positions is estimated to be \$130,811 in FY 2008 and \$134,736 in FY 2009. The operating is estimated to be \$43,504 in the first year and \$32,504 in FY 2009.

2. A 2.5% per year inflation factor has been applied for FY 2010 and FY 2011.
3. An estimate of 5 falsely reported complaints per year with a \$100 fine would generate \$500. Under Section 4(7), the attorney general may charge a business entity up to \$100 for each reportable legal action that was unreported or falsely reported. However, the office is unable to estimate how many unreported or falsely reported actions would be investigated.

**Secretary of State**

4. The Secretary of State will modify an existing database and will offer this as an on-line service.
5. The estimation time and actual labor costs to develop the modifications to the application will be charged to the existing contract with the vendor for a total amount of \$37,000 in FY 2008.
6. A 0.50 FTE, compliance technician, will be required to process the additional filings. The on-going annual cost for a compliance technician including benefits is estimated at \$13,824.

**Department of Justice**

<b>FTE</b>	2.00	2.00	2.00	2.00
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**Expenditures:**

Personal Services	\$130,811	\$134,736	\$138,104	\$141,557
Operating Expenses	\$43,622	\$38,194	\$39,149	\$40,128
<b>TOTAL Expenditures</b>	<u>\$174,433</u>	<u>\$172,930</u>	<u>\$177,253</u>	<u>\$181,685</u>

**Funding of Expenditures:**

General Fund (01)	\$174,433	\$172,930	\$177,253	\$181,685
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**Revenues:**

State Special Revenue (02)	\$500	\$500	\$500	\$500
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**Secretary of State**

<b>FTE</b>	0.50	0.50	0.50	0.50
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**Expenditures:**

Personal Services	\$13,824	\$13,824	\$14,170	\$14,524
Operating Expenses	\$37,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$50,824</u>	<u>\$13,824</u>	<u>\$14,170</u>	<u>\$14,524</u>

**Funding of Expenditures:**

Other	\$50,824	\$13,824	\$14,170	\$14,524
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**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	(\$174,433)	(\$172,930)	(\$177,253)	(\$181,685)
State Special Revenue (02)	\$500	\$500	\$500	\$500
Other	(\$50,824)	(\$13,824)	(\$14,170)	(\$14,524)

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*